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**SOUTH CAROLINA  
STATE DEVELOPMENT BOARD**

**ANNUAL REPORT**

**1981-1982**



**Printed Under the Direction of the  
State Budget and Control Board**

# **SOUTH CAROLINA STATE DEVELOPMENT BOARD**

## **ANNUAL REPORT**

**1981-1982**



**Printed Under the Direction of the  
State Budget and Control Board**



## TABLE OF CONTENTS

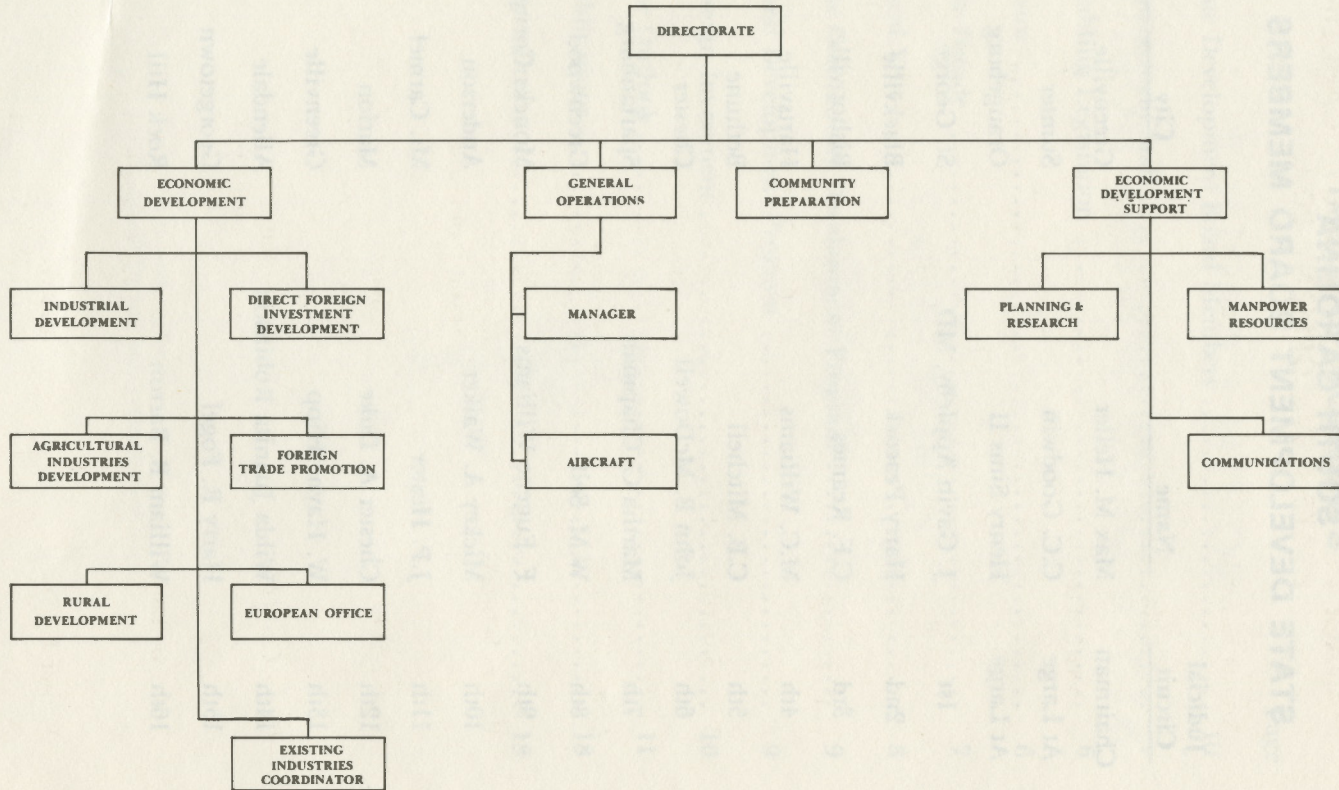
	Page
State Development Board Members .....	iii
Management Staff .....	v
Enabling Legislation .....	6
History .....	6
The Decade .....	7
Fiscal Year .....	8
The Community Development Program .....	9
Rural Development Program .....	9
Foreign Investment .....	10
The Outlook .....	11
Publications .....	18
Expenditures .....	18

## SOUTH CAROLINA STATE DEVELOPMENT BOARD MEMBERS

<u>Judicial Circuit</u>	<u>Name</u>	<u>City</u>
Chairman	Max M. Heller	Greenville
At Large	C.C. Goodwin	Sumter
At Large	Henry Sims II	Orangeburg
1st	J. Gavin Appleby, MD	St. George
2nd	Harry Peacock	Blackville
3rd	C.F. Reames	Bishopville
4th	M.C. Williams	Hartsville
5th	C.B. Mitchell	Bethune
6th	John B. McDowell	Chester
7th	Martha C. Chapman	Spartanburg
8th	W.M. Self	Greenwood
9th	F. Eugene Williams	Moncks Corner
10th	Mickey A. Walker	Anderson
11th	J.P. Hester	Mt. Carmel
12th	Chester A. Duke	Marion
13th	W. Hayne Hipp	Greenville
14th	Wilda Juanita Robinson	Allendale
15th	Harry R. Fogel	Georgetown
16th	William B. Barron	Rock Hill



## S.C. STATE DEVELOPMENT BOARD



## **MANAGEMENT STAFF OF THE SOUTH CAROLINA STATE DEVELOPMENT BOARD**

Robert E. Leak	Director
John C. Hankinson, Jr.	Deputy Director
Robert E. Glover	Associate Director and Manager, Industrial Development
Edward B. Burgess	Manager, Planning and Research
G.L. Daniel	Manager, Communications
P.M. Smurthwaite	Manager, Community Preparation
Caleb Whitaker	Manager, Reverse Investment
Robert Whitaker	Manager, Trade Promotion
David Eldridge	Manager, Manpower Resources
Craig Cameron	Coordinator, Existing Industries
Willa Bellamy	Manager, General Operations
Walter Harris	Manager, Rural Development



## ENABLING LEGISLATION

The South Carolina State Development Board was created for the purpose of conducting an adequate Statewide planning program and Statewide program for the stimulation of economic activity to develop the potentialities of the State; to conserve, restore and develop the natural and physical, the human and social, the economic and productive resources of the State; to promote public interest in the development of the State, through cooperation with public agencies, private enterprises, and charitable and social institutions; to promote and encourage industrial development, private business and commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State; to assist in the development of existing State and interstate trade, commerce and markets for South Carolina goods and in the removal of barriers to the industrial, commercial and agricultural development of the State; to assist in insuring stability in employment; to increase the opportunities for employment of the citizens of the State; to devise ways and means to raise the living standards of the people of the State; and to advance the general welfare of the people.

## HISTORY

The South Carolina State Development Board was created originally in 1942 as the Preparedness for Peace Commission. In 1945 enabling legislation was amended and the agency's name changed to the Department of Research, Planning and Development. Under the 1945 Amendment, the State Development Board assumed the responsibilities of the State Board of Housing, the Building Council of South Carolina, the South Carolina Commerce Department Board, the South Carolina Intra-Coastal Waterway Commission, the State Commission of Port Development, the South Carolina Board for Promotion of External Trade, and the Natural Resources Commission.

Since the 1945 Amendment, some of the responsibilities of the State Development Board have been transferred to other agencies by executive order and legislative amendments. Under Act 682, 1954, the name of the agency was changed from Department of Research, Planning and Development to The State Development Board.



## THE DECADE

The State Development Board's highly successful and aggressive economic development program has helped to bring about significant results in South Carolina during the past ten years. Through the careful planning and promotion of the state, South Carolina's excellent pro-business climate has become known and is recognized throughout the world.

The record amount of investment by manufacturers in South Carolina during the past decade helps to illustrate the state's success. Over \$12 billion has been invested by both new and expanding facilities in the last ten years. The state has recorded investments in excess of \$1 billion in 5 of the last ten fiscal years. And in each of the past 2 fiscal years, the state posted investments of more than \$2 billion. (Table 1)

All manufacturing sectors have helped contribute to the \$12 billion in investments during the past 10 years. However, the Chemical Industry, because of its capital intensive nature, has represented the largest share of expenditures in the state. The combined investments of the Chemical and Metalworking Industries account for over 56% of capital investment in the state during the decade. (Table 2)

The investments by new and expanding industry have resulted in the creation of new jobs. Over 137,000 new jobs have been announced by industry during the period. At the same time, total manufacturing employment has increased by 15.8% from 336 thousand in 1971 to 389.2 thousand in 1981.

New industry has also helped improve the standard of living of South Carolina's citizens. Wage levels, although still lagging behind national averages, have grown at a rate exceeding the national average. Average hourly wages in manufacturing have grown from \$2.65 in 1971 to \$6.18 in 1981, an increase of 133.2%. The U.S. average hourly wage has increased by 123.5% from \$3.57 to \$7.98 during the same period.

Per capita income, another reliable indicator of economic advance, has also climbed during the ten-year period. South Carolina per capita income has grown 153.1% from \$3,181 in 1971 to \$8,050 in 1981. Despite this gain, however, per capita income remains below 80% of the U.S. average.

As the state has developed over the past ten years, manufacturing



employment in South Carolina has undergone considerable change. In 1971, manufacturing employment represented 52.9% of total employment in the state. However, as diversification has occurred, manufacturing's share of employment has declined to 33.4% in 1981.

Despite a decrease in the dependence of South Carolina on manufacturing, industry remains the major source of income in the state. As illustrated by Table 3, in 1980 manufacturing income generated 33.8% of personal income in South Carolina. This fact indeed illustrates the importance of industry to the state.

### **FISCAL YEAR**

The 1981-82 fiscal year was another record year for South Carolina in terms of industrial growth. For the second consecutive year, total capital investment by new and expanding plants exceeded \$2 billion.

A total of 723 new and expanding plants contributed to a total of \$2.6 billion in capital investments for the period. The Metalworking Industry provided the largest share of investments, with 32.2% of the total. The Chemical Industry and Paper and Printing Industry Sectors were also significant contributors with 27.5% and 26.5% of the total (Table 4).

The Metalworking Industry not only contributed the largest amount of investment, but also helped to create the largest share of announced new jobs in fiscal year 1981-82. Over 6,500 new jobs or 48.6% of the total, were announced by the Industry as a result of investment by new and expanding facilities.

The industrial growth of South Carolina during the past fiscal year was aided by an extensive and highly effective advertising campaign. Over 8,590 inquiries were generated by the 1981-82 award winning program which featured a special rural development campaign. Of these inquiries, over 7,000 were potential prospects for South Carolina.

Other efforts of the Development Board which helped generate activity included foreign trade missions, the publication of an industrial directory, and the preparation and distribution of incentive brochures. Promotional efforts which indirectly affected activity included plant announcements and news releases.

## COMMUNITY SUPPORT

The Development Board's Community Preparation Division is continuing in its efforts to assist small towns in South Carolina attract industry. Through the GREAT (Governor's Rural Economic Achievement Trophy) Town Program, towns with a population under 15,000 prepare themselves to be more attractive to industrial prospects.

To earn GREAT Town status, towns must first successfully complete a program which addresses 7 basic areas. These areas include site identification, promotional brochures, and the establishment of a development corporation. Since the program's inception in 1976, 51 of the State's communities have achieved GREAT Town status.

The success of the program is illustrated by the capital invested in GREAT Towns by industry during the past six years. Since 1976, 589 new and expanded plants have announced investments of over \$1.6 billion, creating an additional 13,246 jobs. Eighty-four new plants were announced in 32 GREAT Towns, and expansion of industry have been announced in forty-six of the communities.

The Community Preparation Division is also developing a County Development Support Service for South Carolina's 46 counties. The service is being designed to help counties analyze their strengths and weaknesses in an effort to attract new industry. This service will enable counties to target specific industries for their area.

## RURAL DEVELOPMENT

The Rural Development Division was created in 1981 to help promote economic growth in the nonmetropolitan areas of South Carolina. The Division's staff works in conjunction with local development leaders in an effort to encourage industrial prospects to consider South Carolina's economically distressed areas for a plant location.

The Division also works in cooperation with the Governor's Division of Rural Development and participates on the Private Industry Council in the special funding of industrial projects for the State's underdeveloped counties.

The Board initiated a special advertising campaign during the year to help promote the attractiveness of South Carolina's rural areas. Included in the campaign was a brochure depicting the advantages offered by the State's rural areas as well as a toll free telephone line to



help respond to inquiries. To date, the campaign has helped generate over 590 inquiries.

## FOREIGN INVESTMENTS

Foreign industrial investment in South Carolina provided the largest amount on record during 1981. The \$492 million accounted for 20.6% of the total investment in the State. (Table 5)

Over 85% of the foreign investment in the State during 1981 was made by investors from three countries. Manufacturers from Great Britain were major contributors with almost 50% or \$236 million of the announced foreign investment. Firms from Germany and Switzerland were also significant investors, accounting for 21.6% and 15.5% of the total investment, respectively.

Manufacturers from thirteen countries have contributed to a total foreign investment of \$3.5 billion (Table 6). Firms from West Germany, Great Britain and France have accounted for 71.8% of the capital outlays. Investments from these three countries total over \$2.5 billion.

The largest share of foreign investment has been made in the chemical industry. Over 41%, or \$1.4 billion, has been invested by manufacturers in these industries. Table 7 illustrates total foreign investment by industry.

Part of the State's success in attracting foreign investment during the past few years has resulted from the efforts of the Development Board's International Division. Through the trade and investment missions and the operation of a foreign office in Brussels, Belgium, the Development Board has helped to enhance South Carolina's position in international trade and reverse investment.

## THE OUTLOOK

South Carolina has experienced significant economic growth in the past decade. Capital investment in manufacturing during the period has totaled over \$12 billion, with an investment of over \$1 billion in 6 of the 10 years.

Perhaps more significant than the dollar investment is the impact the new investment has had upon the State and the change that is likely to occur as a result.

Manufacturing's share of employment in South Carolina has steadily diversified itself. Today, as a result of a large amount of investment concentrated in such industries as Electrical & Nonelectrical Machinery, Fabricated Metals and Plastics, manufacturing's share of employment in durable goods has increased from 25% in 1972 to over 30% in 1982. This trend towards higher technology and a more highly skilled labor force places a new demand on industrial development in the State.

While new industry today is creating large amounts of investment in the State, it is also creating a smaller number of new jobs for South Carolina's growing work force. The amount of investment per new employee which has risen from \$54,848 in fiscal year 1972-73 to \$194,935 in fiscal year 1981-82, helps to illustrate this fact.

It has been estimated that there is a need to create over 20,000 new manufacturing jobs each year to meet the demands of South Carolina's growing work force. As industry becomes more capital intensive, the State must attract twice as many industries to provide the same number of jobs each year.

South Carolina will have an advantage in the next decade as the State vies for its share of new industry. As industry continues to change, the burden of maintaining growth and development will increase. But, with the State's excellent reputation in both national and international markets, a responsive government, and strategic location in relation to world markets, South Carolina has a definite advantage.

The challenge of the coming years will require planning and cooperation among all business leaders if South Carolina is to remain a productive place to live and do business.



**Table 1**  
**ANNOUNCED CAPITAL INVESTMENT**  
**BY FISCAL YEAR**

Year	Investment (\$000)	Employment
1972-73	\$ 875,210	15,957
1973-74	1,166,935	14,094
1974-75	352,732	7,753
1975-76	510,004	7,309
1976-77	1,119,394	12,636
1977-78	735,463	15,511
1978-79	1,021,251	17,624
1979-80	1,732,202	19,967
1980-81	2,012,431	13,280
1981-82	2,635,719	13,521
<b>TOTAL</b>	<b>\$12,161,341</b>	<b>137,652</b>

Source: Planning and Research Division,  
South Carolina State Development Board

**Table 2**  
**ANNOUNCED CAPITAL INVESTMENT**  
**BY INDUSTRY**

**1972-73/1981-82**

Industry	Capital Investment (\$000)	% Of Total
Food	\$ 270,156	2.2
Textiles	1,298,448	10.7
Apparel	104,002	0.9
Wood & Furniture	237,090	1.9
Paper & Printing	1,899,656	15.6
Chemicals & Allied	3,649,856	30.0
Metal Working	3,265,034	26.8
Remaining*	1,437,099	11.8
<b>TOTAL</b>	<b>\$12,161,341</b>	<b>100.0%</b>

\*Represents tobacco; petroleum; rubber & plastics; leather; stone, clay and glass; and miscellaneous.

Source: Planning and Research Division,  
South Carolina State Development Board

**Table 3**  
**Industrial Sources Of Personal Income**  
**1980**

	Income (Millions of \$)	% Of Total
Farms	\$ 264	1.5%
Mining	31	0.2
Construction	1,221	6.9
Manufacturing	5,988	33.8
Wholesale & Retail Trade	2,497	14.1
Finance, Insurance & Real Estate	746	4.2
Transportation & Public Utilities	1,126	6.4
Services	2,079	11.7
Government & Government Enterprises	3,672	20.8
Other	70	0.4
<b>TOTAL</b>	<b>\$17,694</b>	<b>100.0%</b>

Source: *Survey of Current Business*, U.S. Department of Commerce,  
 July 1981



**Table 4**  
**ANNOUNCED CAPITAL INVESTMENTS**  
**BY MANUFACTURING INDUSTRY**  
**FISCAL YEAR 1981-82**

<u>Industry</u>	<u>No. Of Plants</u>	<u>% Of Total</u>	<u>Employ</u>	<u>Fiscal Year % Of Total</u>	<u>Cap. Invest. (\$000)</u>	<u>% Of Total</u>
Food	46	6.4	261	1.9	\$ 37,289	1.4
Textiles	85	11.8	1,965	14.5	185,305	7.0
Apparel	56	7.7	1,410	10.4	21,547	0.8
Wood & Furniture	56	7.7	566	4.2	35,987	1.4
Paper & Printing	59	8.2	638	4.7	698,061	26.5
Chemical & Allied	68	9.4	1,078	8.0	724,003	27.5
Metalworking	262	36.2	6,577	48.6	848,112	32.2
Remaining*	<u>91</u>	<u>12.6</u>	<u>1,026</u>	<u>7.6</u>	<u>85,415</u>	<u>3.2</u>
TOTAL	723	100.0	13,251	100.0	2,635,719	100.0

\* Includes tobacco; petroleum; rubber and plastics; leather; stone, clay and glass; and miscellaneous

Source: Planning & Research Division, South Carolina State Development Board

Table 5

**VALUE OF FOREIGN INVESTMENTS AS A PERCENTAGE OF  
TOTAL INDUSTRIAL INVESTMENTS IN SOUTH CAROLINA**

**1960-1981**

**(\$000)**

<u>Year</u>	<u>Foreign Investments</u>	<u>Total Industrial Investments</u>	<u>Foreign Investments Percent of Total</u>
1960	\$ 32,083	\$ 209,759	15.3
1961	500	217,677	0.2
1962	485	210,795	0.2
1963	40,182	264,208	15.2
1964	29,506	281,214	10.5
1965	79,250	600,006	13.2
1966	152,800	509,012	30.0
1967	17,750	305,797	5.8
1968	184,500	635,617	29.0
1969	48,400	706,289	6.9
1970	72,300	319,456	22.6
1971	4,635	473,391	1.0
1972	61,900	502,563	12.3
1973	340,660	1,229,690	27.7
1974	313,053	666,055	46.9
1975	58,800	511,445	11.5
1976	186,005	487,685	38.1
1977	408,162	1,235,171	33.0
1978	208,205	857,233	24.3
1979	392,535	1,541,135	25.5
1980	348,908	1,515,643	23.0
1981	492,816	2,394,152	20.6

SOURCE: Planning and Research Division  
S.C. State Development Board  
December 1981



**Table 6**  
**FOREIGN INVESTMENT BY MANUFACTURING PLANTS**  
**BY COUNTRY**  
**(\$000)**

<u>Country</u>	<u>Prior to 1970</u>	<u>1970-1979</u>	<u>1980-1981</u>	<u>Total</u>	<u>Percent of Total*</u>	<u>1981</u>	<u>%</u>
Austria	---	500	---	500	*	---	---
Belgium & Luxembourg	---	12,905	22,765	35,670	1.0	1,700	0.3
Canada	13,500	46,329	11,360	71,189	2.0	2,400	0.5
Denmark	---	3,000	2,000	5,000	0.1	2,000	0.4
France	7,592	555,300	23,225	586,117	16.5	6,025	1.2
Germany	249,592	634,438	210,875	1,094,905	30.8	106,680	21.6
Great Britain	241,082	315,132	314,373	870,587	24.5	236,940	48.1
Japan	3,000	255,425	56,200	314,625	8.9	35,000	7.1
Netherlands	150,000	36,575	29,216	215,791	6.1	12,361	2.5
South Africa	---	6,000	---	6,000	0.2	---	---
Sweden	---	---	13,330	13,330	0.4	13,330	2.7
Switzerland	250	180,151	158,380	338,781	9.5	76,380	15.5
Taiwan	---	500	---	500	*	---	---
<b>TOTALS</b>	<u>665,016</u>	<u>2,046,255</u>	<u>841,724</u>	<u>3,552,995</u>	<u>100.0</u>	<u>492,816</u>	<u>100.0</u>

Percents may not add to 100 due to rounding.

\*Less than 0.1.

SOURCE: Planning and Research Division  
South Carolina State Development Board  
December 1981

**Table 7**  
**VALUE OF FOREIGN MANUFACTURING INVESTMENT**  
**BY INDUSTRY**  
**(\$000)**

<u>Industry</u>	<u>Investment</u>	<u>% of Total</u>
Textiles	187,705	5.3
Paper and Printing	318,342	9.0
Chemicals	1,484,013	41.8
Metalworking	817,314	23.0
Others*	<u>745,621</u>	<u>21.0</u>
<b>TOTAL</b>	<b>3,552,995</b>	<b>100.0</b>

\*Includes Food Products; Stone, Clay & Glass; Lumber and Wood Products; Rubber and Miscellaneous Plastics; and Miscellaneous Manufacturing Industries.

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**SOURCE:** Planning and Research Division  
 South Carolina State Development Board  
 December 1981



## PUBLICATIONS OF THE S.C. STATE DEVELOPMENT BOARD

Industrial Revenue Bonds in South Carolina  
 Regulations and Pertinent Forms for New Industry  
 There's Still a Place Left for Eagles  
 South Carolina Community Data Sheets  
 South Carolina Industrial Building Flyers  
 South Carolina Industrial Directory  
 South Carolina Metalworking Directory  
 South Carolina: Profile for Profit  
 South Carolina State Development Board Annual Report  
 South Carolina - 300 years of commitment to profit. . .and to people  
 Supportive Services - State of South Carolina  
 Taxes in South Carolina

### Expenditures Fiscal Year 1981-82

Administration	\$ 259,615
Economic Development & Support	<u>2,920,087</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,179,702</b>